

Document Type: Regulation
Number: 3.02a
Effective: 09-05-08
Revised: 07-13-09
03-09-10
01-01-11
03-23-12

Legal References:

COMPENSATION AND WAGE ADMINISTRATION

I. INTRODUCTION

As part of its compensation philosophy, the City of Boise is committed to a compensation and wage administration program that helps to attract and retain the most qualified personnel at all levels of the organization. The objectives of this regulation are for the City's Compensation and Wage Administration practices to be communicated and understood, to achieve internal equity, to be competitive and comparable in the marketplace, to be fiscally responsible, to be legally defensible, and to provide recognition for employee contributions, performance and accomplishments.

The purpose of this regulation is to describe the processes related to wage administration processes for general employees. Compensation decisions for staff reporting to the Mayor and Council shall remain at the discretion of the Mayor and Council. Wage administration issues for bargaining unit employees shall be governed by the provisions of the applicable collective labor agreement.

II. GENERAL PAY PLANS

The City of Boise General Pay Plans are comprised of the following non-contract employee groups:

- 1) Temporary/Seasonal
- 2) Non-Exempt
- 3) Exempt
- 4) Senior Manager
- 5) Command Staff
- 6) Department Director

Newly established positions which may qualify for Senior Manager, Command Staff or Department Director compensation and benefits will be reviewed by Human Resources in accordance with the requirements of applicable regulations.

III. COMPENSATION STRUCTURE

The City of Boise uses a professionally recognized and systematic method of classifying jobs and administering pay to ensure that pay levels are objective and internally equitable.

The pay plan is a system of grades and ranges. Point values determined during the job evaluation process are associated with pay grades to create the plan. The pay grades reflect comparative levels of knowledge, skills, abilities, and responsibilities required for the position.

Employees are paid not less than the minimum, and not more than the maximum, of the pay grade assigned to the position. Each succeeding wage increase within the pay grade should be considered in light of increasingly higher standards of performance and responsibility. Employees who are paid at the maximum of the pay range may still be eligible to receive additional compensation as authorized, but it will not be added to their base pay. At the City's discretion the additional compensation may be given as a lump sum or divided into equal amounts as an additional pay item.

IV. BASE BUDGET IMPACT

At all times, base pay placement must be determined by considering department budget constraints, internal equity, the affected employee's performance, qualifications, experience, and level of responsibility, and equal employment opportunity. If the department does not have sufficient base funding to compensate the affected employee(s) in accordance with the guidelines in this regulation, a pay increase may be available through alternative resources to be accessed through analysis by the Finance and Administration and Human Resources departments. Adjustments must not result in range compression of current incumbents unless there is a legitimate nondiscriminatory reason for the decision. Pay adjustments are limited to an effective date within the current fiscal year. Supervisors shall not notify employees of pay changes until the funding source has been identified and approved for such use by the Department Director, Human Resources and the Budget Office.

V. WAGE ADMINISTRATION

The purpose of this section is to assist employees in understanding wage administration and to guide hiring supervisors in the consistent application for pay placement upon hire, reclassification, promotion, demotion, transfer and temporary assignment.

All compensation decisions must comply with the City's hiring policies, regulations and procedures. In addition, **Human Resources must approve in advance a determination letter from the department to the effected employee to document every compensation change.** Determination letters are generally not required for increases granted through the performance management system or Citywide adjustments. Letter templates are available in the Supervisor Toolbox online.

A. Determining the Hiring Wage

The starting wage for an employee entering a position shall be between the minimum and the first third of the pay grade assigned to the position. The department may request Human Resources approve a starting wage up to 95% of the midpoint of the grade, considering recruiting efforts, qualifications, experience, level of responsibility and internal equity.

With prior approval, the hiring department may choose to reserve a portion of the budgeted hiring pay for new employees to be awarded upon successful completion of the six-month probationary period of employment, not to exceed 95% of midpoint of the pay grade. In order to award a performance based increase upon successful completion of the probationary period, departments are expected to ensure the employee's salary remains within 95% of midpoint of the grade. Upon successful completion of the probationary period, the department must submit a status sheet and end probation letter documenting the employee's performance to Human Resources.

Active, regular full- and part-time employees are eligible to receive any budgeted performance or general wage increase as recommended by the Mayor and approved by City Council upon satisfactory completion of the probationary period and annually thereafter as available.

Departments experiencing significant compensation related difficulties in placing qualified employees, despite regular and special recruiting efforts, may request authorization from Human Resources to hire an individual with preferred qualifications above 95% of the midpoint value of the pay grade.

B. Promotion, Transfer and Reclassification Increases

A wage increase is permitted for employees who assume a position with additional duties, responsibilities, or work which requires a higher level of skill. This may occur as a result of promotion, classification change, transfer to another department or temporary assignment to a position that is vacant for more than three weeks.

When placed in a position which requires greater responsibility and skill, employees are eligible to receive an increase to no less than the minimum of the new pay grade up to 95% of the midpoint value of the new grade, at the department director's discretion. The employee's placement must be determined by considering internal equity and the affected employee's qualifications, experience, and new level of responsibility. When the employee's current pay exceeds 95% of the market rate for the new position and the department wishes to award an increase, the department may request Human Resources to authorize a 5% increase, and the pay shall not exceed the maximum of the grade or authorized budget for that department.

No pay increase shall be awarded for a transfer within the department to a position in the same job code.

Current employees do not serve a new probationary period when accepting a new position, but departments may reserve a portion of the promotional range for a base increase to be awarded within the first six months, provided the salary does not exceed 95% of the midpoint value of the pay grade or approved budget. To award such an increase, the department must submit a status sheet and letter documenting the employee's performance to Human Resources.

C. Temporary Assignment

Temporary assignment requires the employee to take responsibility for the duties of a position in a higher grade when a vacancy exists in the position or the incumbent is on an authorized leave of absence for more than thirty (30) days. When placing an employee in a temporary assignment, a five percent (5%) increase per pay grade may be awarded, to a maximum fifteen percent (15%) increase.

For temporary assignments lasting six (6) months or more, the employee may be temporarily reclassified into a new or vacant position and awarded an increase in accordance with that section of the regulation.

When the vacant position is filled or the incumbent returns, the acting appointment shall expire. The acting appointee will be returned to the classification, pay grade and pay held immediately preceding the acting appointment, to include any pay adjustments for which the individual would have been eligible. Pay calculations will take effect on the date the employee returns to the position previously held.

D. Demotion, Transfer and Reclassification Decreases

A wage decrease is required when an employee voluntarily requests a demotion, transfer or reassignment to a position in a lower pay grade; when a position is classified, rated and assigned to a lower pay grade; or when an employee is involuntarily demoted, transferred or reassigned to a position in a lower pay grade. The incumbent's pay shall be decreased a minimum of five percent (5%) per pay grade, or to 95% of the midpoint for the new grade. The determination regarding pay will be made collaboratively between the department and Human Resources. Under no circumstances shall the new pay be higher than the maximum of the pay grade of the position in which the employee is placed.

VI. TEMPORARY EMPLOYEES

A. Determining Wage Placement

Temporary positions shall be evaluated by Human Resources to determine the appropriate job code and pay rate, and to ensure pay is assigned objectively and equitably. Temporary positions placed on the Nonexempt and Exempt Pay Plans may not necessarily be assigned responsibility for the full scope of duties in a corresponding or similar job description, and are not required to be compensated at the minimum of the assigned pay grade.

Nonexempt temporary employees who perform duties in more than one job may be paid at different rates for those positions, but the departments must use a blended rate to determine base pay for purposes of calculating overtime.

Please refer to the Temporary Employment Regulation 2.01g for details regarding length of service, transfer and promotion requirements of temporary employment.

B. Pay Rate Adjustments

Temporary employees are not eligible to participate in the performance pay program however they may be eligible for a pay rate adjustment for increased skill, experience, or responsibility. Increases for returning temporary employees will be applied uniformly to all incumbents in the job code. Temporary employees who transfer to a different service unit or supervisor performing the same duties are not eligible for a pay rate increase. Pay increases are subject to department budget constraints.

Departments may recognize temporary employees' exceptional skills and service through the use of Department Excellence Awards. Temporary employees are not eligible for City-wide programs.